

VI. CONCLUSION

The Proposed Transaction will serve the public interest without creating any offsetting public interest harms. For the foregoing reasons, the Applicants respectfully request that the Commission grant this Application promptly and provide for any other authority that the Commission finds necessary or appropriate to enable consummation of the Proposed Transaction. Applicants also request that the Commission designate this Application as a permit-but-disclose proceeding under 47 C.F.R. § 1.1206.

Respectfully submitted,

GENERAL COMMUNICATION, INC.

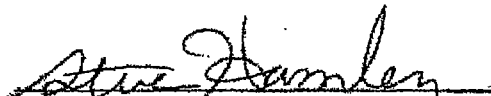


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November 2, 2007

Attachment A

STOCK PURCHASE AGREEMENT

dated as of October 12, 2007

among

GCI COMMUNICATION CORP.,

UNITED COMPANIES, INC.,

SEA LION CORPORATION

and

TOGIAK NATIVES LTD.

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EXHIBITS

Exhibit A	Definitions
Exhibit B	Escrow Agreement
Exhibit C	Illustration of Revenue Growth Payments
Exhibit D	Form of Opinion of Kemppe, Huffman & Ellis, P.C.
Exhibit E	Form of Opinion of Kemppe, Huffman & Ellis, P.C. (Regulatory Opinion)

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement"), is made and entered into as of October 12, 2007 by and among GCI Communication Corp., an Alaska corporation ("GCI"), United Companies, Inc., an Alaska corporation (the "Company"), Sea Lion Corporation, an Alaska corporation ("Sea Lion"), and Togiak Natives Limited, an Alaska corporation ("Togiak" and, together with the Company and Sea Lion, the "Sellers").

Recitals

A. Collectively, Sea Lion and Togiak own all of the issued and outstanding shares of common stock of the Company.

B. The Company owns 100% of the issued and outstanding shares of all classes of capital stock of each of United Utilities, Inc., an Alaska Corporation ("UUI"), and Unicom, Inc., an Alaska corporation (collectively, the "Common Stock").

C. Subject to the terms and conditions of this Agreement, in consideration of the sale of the outstanding Common Stock, GCI will pay aggregate consideration in immediately available funds at the times and in the amounts set forth in this Agreement (the "Acquisition").

D. Defined terms used as capitalized terms and not otherwise defined herein shall have the respective meanings set forth in Exhibit A hereto.

NOW, THEREFORE, in consideration of the foregoing premises, and the representations, warranties, covenants and other agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted by the Parties, and intending to be legally bound hereby, the Parties hereto hereby agree as follows:

ARTICLE 1 PURCHASE AND SALE

1.1 Purchase and Sale of the Shares. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing the Company shall sell, assign, transfer, convey and deliver to GCI or cause to be sold, assigned, transferred, conveyed and delivered to GCI, free and clear of any and all Liens and GCI shall purchase, all Common Stock owned by the Company.

1.2 Payments at the Closing.

1.2.1 Subject to Section 1.6 below, the aggregate purchase price to be paid by GCI to the Company on the Closing Date in consideration for the Common Stock will be \$40,000,000, less cash and marketable securities retained by the Company in the amount of \$1,318,242, payable in cash (the "Cash Consideration"). At the Closing, the Company shall receive the Estimated Cash Consideration less the Escrow Amount (such amount the "Closing

Payment") by wire transfer of immediately available funds to accounts designated by the Company in writing and delivered to GCI at least two Business Days prior to the Closing Date.

1.2.2 *GCI shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement such amounts as may be required to be deducted or withheld therefrom under any provision of federal, local, or foreign Tax law or under any applicable legal requirement. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.*

1.3 **Escrow Arrangements.** At the Closing, GCI, the Company and the Escrow Agent will enter into an Escrow Agreement substantially in the form attached hereto as Exhibit B (the "Escrow Agreement") pursuant to which, among other things, GCI will deposit an amount of cash equal to the Escrow Amount to be held in an escrow fund (the "Escrow Fund"), with such Escrow Fund to be used to compensate GCI for any Losses incurred or sustained by it for which it is entitled to recovery pursuant Article 7 hereof.

1.4 **Closing.** The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur at 10:00 a.m. AKST on the third Business Day following the day on which the last of the conditions set forth in Article 6 (other than those based on acts to be performed at Closing) has been fulfilled or waived by the Party entitled to the benefit of such condition (the "Closing Date") at the offices of GCI, unless another date, time or place is agreed upon by the Parties.

1.5 **Closing Deliveries.**

1.5.1 **Closing Deliveries of the Company.** Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (unless otherwise indicated below), the Company shall deliver, or cause to be delivered, to GCI the following:

1.5.1.1 a stock certificate, or certificates, representing the Common Stock held by the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank;

1.5.1.2 a receipt for the Cash Consideration paid to the Company at the Closing pursuant to Section 1.2;

1.5.1.3 evidence of the assignment contemplated by Section 5.9;

1.5.1.4 evidence of the assignment contemplated by Section 5.10;

1.5.1.5 evidence of the transfer of Employee Benefit Plans pursuant to Section 5.11;

1.5.1.6 evidence of the easements required to be obtained pursuant to Section 5.12;

1.5.1.7 each of the documents required to be delivered by the Company pursuant to Section 6.2 that has not been delivered prior to the Closing; and

1.5.1.8 such certificates or other documents as may be reasonably requested by GCI, including without limitation certificates of legal existence, good standing and certified articles of incorporation from the Alaska Department of Community and Economic Development and certificates of officers of the Company with respect to minutes, resolutions, bylaws and any other relevant matters concerning the authorization of the transactions contemplated hereby.

1.5.2 Closing Deliveries of GCI. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (unless otherwise indicated below), GCI shall deliver, or cause to be delivered:

1.5.2.1 to the Company, the Closing Payment payable at the Closing on account of the Common Stock held by the Company, as shown on Schedule I hereto;

1.5.2.2 to the Escrow Agent, the Escrow Amount to be held in the Escrow Fund pursuant to the Escrow Agreement; and

1.5.2.3 each of the documents required to be delivered by GCI pursuant to Section 6.3 that has not been delivered prior to the Closing.

1.6 Adjustment of Cash Consideration.

1.6.1 Estimated Cash Consideration. Not less than two nor more than five Business Days prior to the Closing Date, the Company shall prepare and deliver to GCI a good faith estimate of Closing Date Shareholder's Equity ("Estimated Closing Date Shareholder's Equity") determined as if it were the actual Closing Date Shareholder's Equity, but based on the Company's review of financial information then available and inquiries of personnel responsible for the preparation of the financial information relating to the Acquired Companies in the Ordinary Course. If the Estimated Closing Date Shareholder's Equity is less than \$26,991,189 (the "Shareholder's Equity Target"; the amount of such shortfall being referred to as the "Shareholder's Equity Shortfall"), then the Cash Consideration shall be decreased dollar-for-dollar by the Shareholder's Equity Shortfall. If Estimated Closing Date Shareholder's Equity is greater than the Shareholder's Equity Target (the amount of such excess being referred to as the "Shareholder's Equity Excess"), then the Cash Consideration shall be increased dollar-for-dollar by the Shareholder's Equity Excess. The Cash Consideration that would result if the Estimated Closing Date Shareholder's Equity were the actual Closing Date Shareholder's Equity is referred to as the "Estimated Cash Consideration."

1.6.2 Post-Closing Adjustment.

1.6.2.1 No later than 45 days following the Closing Date, GCI will prepare and deliver to the Company a statement (the "Closing Date Statement") showing, in reasonable detail, a calculation of Shareholders' Equity as of immediately prior to the Closing (the "Closing Date Shareholders' Equity").

1.6.2.2 Within 45 days after the date GCI delivers to the Company the Closing Date Statement, if the Company disagrees in good faith with GCI's calculation of Closing Date Shareholders' Equity as set forth in the Closing Date Statement, then the Company may give written notice (the "Objection Notice") to GCI within such 45-day period (i) setting forth the Company's determination of Closing Date Shareholders' Equity and (ii) specifying in reasonable detail the Company's basis for disagreement with GCI's determination of Closing Date Shareholders' Equity. The failure by the Company to deliver an Objection Notice within such 45-day period shall constitute the acceptance of GCI's computation of Closing Date Shareholders' Equity. If the Company and GCI are unable to resolve any matter raised in the Objection Notice with respect to the determination of Closing Date Shareholders' Equity within 30 days after delivery of the Objection Notice, the items in dispute shall be submitted to binding arbitration in accordance with Section 10.1. The final computation of Closing Date Shareholders' Equity, determined by reference to either GCI's computation of Closing Date Shareholders' Equity, agreement of the parties or binding arbitration, as the case may be, is referred to herein as the "Final Shareholders' Equity."

1.6.2.3 If, after the Final Shareholders' Equity has been determined, the Cash Consideration is less than the Estimated Cash Consideration, the Sellers shall promptly pay to GCI, within five days after the Final Shareholders' Equity has been determined, an amount equal to such difference plus interest accruing on such amount at a rate of 8% per annum from the Closing Date until such amount is paid, by wire transfer of immediately available funds to an account designated by GCI. If the Estimated Cash Consideration is less than the Cash Consideration, GCI shall promptly pay to the Company, within five days after the Final Shareholders' Equity has been determined, an amount equal to such difference plus interest accruing on such amount at a rate of 8% per annum from the Closing Date until such amount is paid, by wire transfer of immediately available funds to the account designated by the Company.

ARTICLE 2

REVENUE GROWTH PAYMENTS

2.1 Structure. In addition to the Cash Consideration payable at Closing, the Company shall be entitled to receive additional payments determined and payable as provided in this Article 2 (the "Revenue Growth Payments") to reflect additional revenues generated from the Specified Customers. The Revenue Growth Payments shall be calculated separately for each of the following periods (collectively, the "Revenue Sharing Period"): (i) calendar year 2008 ("Period One"); (ii) calendar year 2009 ("Period Two"); (iii) calendar year 2010 ("Period Three"); (iv) calendar year 2011 ("Period Four"); and (iv) calendar year 2012 ("Period Five"). In no event shall the Sellers be required to make payments to GCI under this Article 2 if revenues decline instead of increase. Attached as Exhibit C is an illustration of the calculation of the Revenue Growth Payments payable to the Company. In the event of any conflict between the illustration and the provisions of this Article 2, the provisions of this Article 2 shall control.

2.2 Amount & Payment.

2.2.1 The Revenue Growth Payment for Period One shall be an amount equal to the product of (i) ten percent (0.10) and (ii) the difference, if any, between the Gross Revenue for Period One and the Gross Revenue for calendar year 2007 (the "Baseline Gross").

Revenue”). The Revenue Growth Payment for Period Two shall be an amount equal to the product of (i) ten percent (0.10) and (ii) the difference, if any, between the Gross Revenue for Period Two and the Baseline Gross Revenue. The Revenue Growth Payment for Period Three shall be an amount equal to the product of (i) ten percent (0.10) and (ii) the difference, if any, between the Gross Revenue for Period Three and the Baseline Gross Revenue. The Revenue Growth Payment for Period Four shall be an amount equal to the product of (i) ten percent (0.10) and (ii) the difference, if any, between the Gross Revenue for Period Four and the Baseline Gross Revenue. The Revenue Growth Payment for Period Five shall be an amount equal to the product of (i) ten percent (0.10) and (ii) the difference, if any, between the Gross Revenue for Period Five and the Baseline Gross Revenue.

2.2.2 The Revenue Growth Payments for each of the Revenue Sharing Periods under Section 2.2.1 shall be made as soon as reasonably practicable after the completion of GCI’s annual audit for each respective period, and in any event, on or prior to forty-five (45) days following the completion of such audit.

2.3 Gross Revenue Statement. The Revenue Growth Payments for each period shall be accompanied by a schedule reflecting the calculation of the Revenue Growth Payments in reasonable detail. The Company shall have the right, at its expense, to audit the underlying statements and accounts relating to the Specified Customers, which GCI shall make or cause to be made reasonably available to the Company, to verify the accuracy of the Revenue Growth Payments; provided that only one audit shall be conducted by the Company in respect of the Revenue Growth Payment for any given period. All information obtained in any such audit shall be maintained in confidence and used only for the purpose contemplated by this Section 2.3. Any such audit shall be conducted upon reasonable notice, during normal business hours and in a manner that does not unnecessarily or unreasonably interfere with the operations of GCI. If, as a result of such audit, the Company believes that an additional Revenue Growth Payment is due, it shall notify GCI in writing and shall provide GCI reasonably detailed information reflecting the basis for the additional payment claimed. Within ten (10) days of receipt of that notice, GCI shall either pay the additional amount claimed or notify the Company that GCI disagrees with the claim, which notice shall specify the amount, if any, of the additional Revenue Growth Payment that GCI agrees is due. If the Parties are unable to resolve any disagreement within ten (10) days after a notice of disagreement is given by GCI, either party may have such disagreement resolved pursuant to arbitration provided for in Section 10.1.

2.4 Non-Transferability of Right to Revenue Growth Payments. The rights of the Company to receive Revenue Growth Payments cannot be sold, assigned, hypothecated or otherwise transferred except to an Affiliate of the Company or the Sellers. Any attempted transfer in violation of this provision shall be null and void and GCI shall not be obligated to recognize any rights in the purported transferee. In the event that GCI in good faith is uncertain after consulting with outside legal counsel as to the legal rights of any purported transferee or any other person claiming the right to receive Revenue Growth Payments, it may withhold the Revenue Growth Payments in question until it is presented with a court order establishing the rights of the parties and then pay the amount withheld, without interest, to the person entitled thereto in accordance with that order. No transfer shall affect the rights of GCI to set off against Revenue Growth Payments as provided in Section 7.7.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except for representations and warranties that, by their terms, are made only as of a specified date, all representations and warranties of the Parties shall be deemed to be made at and as of the date hereof and at and as of the Closing Date. For purposes of applying the representations and warranties as of the Closing Date, all references to the date of this Agreement (or words of similar import) shall be deemed to refer to the Closing Date. Except as set forth in the corresponding sections of the disclosure schedule (the "Disclosure Schedule"), each of the Sellers, severally and not jointly, hereby represents and warrants to GCI that:

3.1 Organization and Good Standing. Section 3.1 of the Disclosure Schedule contains a complete and accurate list for each of the Acquired Companies of its name, its jurisdiction of incorporation, other jurisdictions in which it is authorized to do business, and its capitalization (including the identity of each shareholder and the number of shares held by each). Each of the Acquired Companies is a corporation duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under the Contracts in Section 3.11.1 of the Disclosure Schedule. Each of the Acquired Companies is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification. The Company has delivered to GCI or has made available for inspection (i) copies of the Organizational Documents of each of the Acquired Companies and (ii) all minutes of actions of the board of directors since January 1, 2004 of the Company and each of the Acquired Companies.

3.2 Capitalization; Other Equity.

3.2.1 The Company owns all of the outstanding shares of Common Stock, all of which are owned free and clear of Liens. The shares of Common Stock owned by the Company are set forth on Schedule I. There are no outstanding subscriptions, options, employee stock options, rights, warrants, calls, convertible securities or other rights, agreements or commitments of any kind issued or granted by, or binding upon, any of the Acquired Companies to issue any shares or other equity interests of any of the Acquired Companies or irrevocable proxies or any agreements, instruments or understandings restricting the transfer of or otherwise relating to shares or other equity interests of any of the Acquired Companies, including any stockholder agreements, voting agreements or trusts or proxies. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or other similar rights with respect to any of the Acquired Companies. All of the outstanding shares of capital stock or other equity interests of each of the Acquired Companies were not issued in violation of any preemptive or similar right of any Person and have not been transferred in violation of, and are not currently subject to, any right of first refusal or similar right of any Person. All of the outstanding shares of capital stock or other equity interests of each of the Acquired Companies have been duly authorized, validly issued and are fully paid and non-assessable, and are free of preemptive rights. Except as set forth on Section 3.2.1 of the Disclosure Schedule, there are no restrictions applicable to the payment of dividends or distributions on the capital stock or other

equity interests of any of the Acquired Companies and all dividends or distributions declared prior to the date hereof have been paid. All issuances of securities by any of the Acquired Companies were exempt from any registration requirements under all applicable securities laws.

3.2.2 UUI owns all of the outstanding shares of capital stock or other equity interests of United-KUC, Inc., an Alaska corporation ("KUC") as set forth on Schedule I, all of which are, except as set forth on Schedule 3.2.2, owned free and clear of Liens. Section 3.2.2 of the Disclosure Schedule sets forth a complete list of all Subsidiaries and Equity Affiliates of each of the Acquired Companies. Except as set forth on Section 3.2.2 of the Disclosure Schedule, none of the Acquired Companies own, directly or indirectly, any equity interest in any other Person including any general or limited partnership interest, limited liability company interest or other form of joint venture.

3.3 Authority. Each of the Sellers has all requisite power and authority to enter into this Agreement and the Transaction Agreements and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Transaction Agreements and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Sellers and no further action is required on the part of such entities or any of the Acquired Companies to authorize the Agreement and the Transaction Agreements and the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Transaction Agreements each have been unanimously approved by the board of directors of each of the Sellers and have been approved by the shareholders of each of the Sellers to the extent such approval is required. This Agreement and the Transaction Agreements have been duly executed and delivered by each of the Sellers and assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute the valid and binding obligations of the Sellers enforceable against them in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

3.4 No Conflict; Consents and Approvals. Except as and to the extent set forth on Section 3.4 of the Disclosure Schedule, neither the execution, delivery nor performance of this Agreement in its entirety, nor the consummation of all of the transactions contemplated hereby, will:

3.4.1 contravene, conflict with, or result in a violation of (i) any provision of the Organizational Documents of the Acquired Companies or the Sellers, or (ii) any resolution adopted by the board of directors or the shareholders of any of the Acquired Companies or the Sellers;

3.4.2 violate (with or without the giving of notice or the passage of time), any law, order, writ, judgment, injunction, award, decree, rule, statute, ordinance or regulation applicable to any of the Acquired Companies or the Sellers;

3.4.3 contravene, conflict with, result in a breach or termination of any provision of, cause the acceleration of the maturity of any debt or obligation pursuant to,

constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation of any Lien upon any property or assets of any of the *Acquired Companies or the Common Stock* pursuant to any terms, conditions or provisions of any note, license, instrument, indenture, mortgage, deed of trust or other agreement or understanding or any other restriction of any kind or character, to which any of the Acquired Companies or any of the Sellers is a party or by which any of the Acquired Companies' or any of the Sellers' assets or properties is subject or bound;

3.4.4 require notice to, or consent, approval, order or authorization of, or declaration, filing or registration with, any Governmental Body or any Person, domestic or foreign; or

3.4.5 terminate or impair the corporate existence, business organization, assets, licenses, permits, authorizations, or other contracts and agreements of any of the Acquired Companies or the Sellers.

3.5 Financial Statements; No Undisclosed Liabilities.

3.5.1 The Company has delivered to GCI true and complete copies of (i) the audited consolidated and consolidating balance sheets of each of the Acquired Companies as of December 31, 2004, December 31, 2005 and December 31, 2006 and the related statements of income, retained earnings, shareholders' equity and cash flows of each of the Acquired Companies for each of the 12-month periods ended on such dates (the "Year End Financials"), and (ii) the unaudited balance sheet of each of the Acquired Companies for the eight (8) months ended August 31, 2007 (the "Balance Sheet Date") and the related statements of income, retained earnings, shareholders' equity and cash flows of each of the Acquired Companies (the "Interim Financials") and collectively with the Year End Financials and the Company Audited Financial Statements, the "Company Financial Statements"). The Company Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated. The Company Financial Statements present fairly in all material respects the financial position and operating results of the Acquired Companies as of the dates, and for the periods, indicated therein, subject, in the case of the Interim Financials, to normal year-end audit adjustments. No financial statements of any Person other than the Acquired Companies are required by GAAP to be included in the Company Financial Statements.

3.5.2 The accounting records underlying the Company Financial Statements accurately and fairly reflect in all material respects the transactions of the Acquired Companies. The Acquired Companies do not have any off balance sheet liabilities associated with financial derivative products or potential liabilities associated with financial derivative products.

3.5.3 Except as set forth on Section 3.5 of the Disclosure Schedule, to the knowledge of the Sellers, (i) none of the principal executive officers or principal financial officers of the Sellers or any of the Acquired Companies has concluded that a material weakness currently exists, other than what is described on the Disclosure Schedule and (ii) no claim or allegation has been made that a material weakness exists or that there has been any fraud with

respect to the preparation of the Company Financial Statements or the internal control over financial reporting utilized by the Acquired Companies.

3.5.4 Except as set forth on Section 3.5 of the Disclosure Schedule, the *Acquired Companies do not have any Liabilities except those that are accrued or reserved against* in the Company Financial Statements for the period ended on the Balance Sheet Date or incurred in the Ordinary Course (none of which Liabilities arises out of or relates to any breach of contract, breach of warranty, tort, infringement or violation of law). The Acquired Companies have not incurred or paid any Liability since the Balance Sheet Date except for such Liabilities incurred or paid in the Ordinary Course and which are fully reflected on the books and records of the Acquired Companies. Except as set forth on Section 3.5 of the Disclosure Schedule, none of the Acquired Companies is (i) a guarantor or otherwise liable by contract for any Liability of any other Person, (ii) obligated in any way to provide funds in respect of any other Person, or (iii) obligated to guaranty or assume any debt, commitment or dividend of any Person.

3.5.5 Except as set forth on Section 3.5 of the Disclosure Schedule, none of the Acquired Companies have any outstanding indebtedness (excluding trade payables, rent, prepaid expenses, wages and taxes ("Company Indebtedness") and the Acquired Companies have no outstanding loans, advances or other extensions of credit to any Person.

3.5.6 Section 3.5.6 of the Disclosure Schedule sets forth a description, grouped by site with respect to the Microwave Network, of all capital expenditures in excess of \$10,000 in the aggregate intended to occur on or prior to the Closing Date or to which any of the Acquired Companies reasonably expects to become obligated after the Closing Date based on actions taken as of the date of this Agreement.

3.6 **Absence of Certain Changes or Events.** Except as and to the extent set forth on Section 3.6 of the Disclosure Schedule, and except for this Agreement and the transactions contemplated hereby, since January 1, 2007, (i) there has occurred no fact, event or circumstance which has had or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (ii) none of the Acquired Companies has taken any of the actions as are described in Section 5.5 for which consent of GCI would be required if such actions had been taken after the date of this Agreement, and (iii) none of the Acquired Companies has entered into any contract or agreement to take any actions as are described in Section 5.5 for which consent of GCI would be required if such actions had been taken after the date of this Agreement.

3.7 **Litigation; Regulatory Actions.** Except as set forth on Section 3.7 of the Disclosure Schedule, there are no actions, suits, claims, investigations, reviews or other proceedings (excluding any docketed and non-confidential action, suit, claim, investigation, review or other proceeding before the FCC or RCA) that have been commenced by or against any of the Acquired Companies or that otherwise relate to or may affect the business of, or any of the assets owned or used by, any of the Acquired Companies or, to the knowledge of the Sellers, threatened against any of the Acquired Companies or involving any of their properties or assets, at law or in equity or before or by any Governmental Body, or other instrumentality or Person or any board of arbitration or similar entity. Section 3.7 of the Disclosure Schedule describes all material actions, claims, suits, investigations or proceedings (excluding any

docketed and non-confidential action, suit, claim, investigation, review or other proceeding before the FCC or RCA) commenced or made against any of the Acquired Companies or any predecessor since January 1, 2002, that are no longer pending, including the disposition thereof.

3.8 Tax Matters. The Acquired Companies have duly filed, or will file when due, all Tax Returns that are or were required to be filed by or with respect to any of them, either separately or as a member of a group of corporations (the "Filed Returns"). All such Filed Returns were correct and complete. The Acquired Companies have paid all Taxes (whether or not shown on any tax return). None of the Acquired Companies is currently the beneficiary of any extension of time within which to file any Tax Return. There are no liens for any Taxes on any assets of the Acquired Companies except for liens for taxes not yet due or for Taxes being contested in good faith and for which adequate reserves have been established in accordance with GAAP. None of the Acquired Companies has entered into any Tax sharing agreement or other agreement regarding the allocation of Tax liability. The Sellers have delivered to GCI prior to the date hereof true, correct and complete copies of each Filed Return relating to periods beginning on and after January 1, 2004 and each amended return filed for any period for which statutory periods of limitation have not expired. All deficiencies asserted as a result of any examination or audit relating to Taxes of the Acquired Companies have been paid in full, and no such examination or audit is currently in progress or, to the knowledge of the Sellers, threatened. There are no outstanding agreements extending or waiving any statutory period of limitations applicable to the assessment or collection of Taxes with respect to any of the Acquired Companies. The Acquired Companies have withheld and paid over all taxes required to be so withheld and paid over in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party. The Acquired Companies are not obligated to make any payments, nor are they a party to any agreement, that under certain circumstances could obligate them to make any payments that will not be deductible under Section 280G of the Code. None of the Acquired Companies has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. None of the Acquired Companies has any liability for the Taxes of any Person under Reg. Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise. Except as set forth on Section 3.8 of the Disclosure Schedule, none of the Acquired Companies (i) has been a member of an affiliated group filing a consolidated federal income tax return and (ii) has any liability for the Taxes of any Person under Reg. Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise. No claim has been made by any authority in a jurisdiction where any of the Acquired Companies do not file Tax Returns that any of such entities is or may be subject to taxation by that jurisdiction. None of the Acquired Companies has agreed to make any adjustments under Section 481 of the Code by reason of a change in method of accounting. None of the Acquired Companies has executed or entered into a closing agreement pursuant to Section 7121 of the Code or any similar provision of state, local or foreign law, or are subject to any private letter ruling of the Internal Revenue Service or comparable ruling of any other Governmental Body. None of the Acquired Companies has engaged in any reportable transaction as defined in Treasury Regulation Section 1.6011-4(b). None of the Acquired Companies has executed any power of attorney with respect to Taxes that is currently in force. Since January 1, 2005, none of the Acquired Companies has been a party to a transaction described in Section 355 of the Code.

3.9 Employee Benefit Plans.

3.9.1 Section 3.9 of the Disclosure Schedule lists, and the Company has made available to GCI copies of, all "employee benefit plans" within the meaning of § 3(3) of ERISA, all bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other employee benefit plans, programs and arrangements, all binding employment agreements, and all policies providing for the indemnification of officers, directors or other employees, in each case for the benefit of, or relating to, current or former employees, directors or contractors of any of the Acquired Companies and, where applicable under plan terms, their dependents, and any such plans, programs and arrangements of any person (as defined in § 3(9) of ERISA) which together with any of the Acquired Companies would be deemed to be a "single employer" within the meaning of § 414 of the Code (any such Person, an "ERISA Affiliate") (collectively, the "Employee Plans").

3.9.1.1 All Employee Plans are in compliance in all material respects with the requirements prescribed by applicable law currently in effect with respect thereto, and each of the Acquired Companies has performed all material obligations required to be performed by it under, and are not in any respect in default under or in violation of, any of the Employee Plans. Each Employee Plan by its terms is terminable at any time.

3.9.1.2 None of the Acquired Companies or any ERISA Affiliate has ever maintained, established, sponsored, participated in, or contributed to, any pension plan subject to Part 3 of Subtitle B of Title I of ERISA, Title IV of ERISA or Section 412 of the Code.

3.9.2 None of the Acquired Companies or any ERISA Affiliate has ever maintained, established, sponsored, participated in or contributed to any self-insured plan pursuant to which a stop-loss policy or insurance contract applies.

3.9.3 At no time has any of the Acquired Companies or any ERISA Affiliate contributed to or been obligated to contribute to any multiemployer plan (as defined in Section 3(37) of ERISA). None of the Acquired Companies or any ERISA Affiliate has at any time ever maintained, established, sponsored, participated in or contributed to any multiple employer plan or to any plan described in Section 413 of the Code.

3.9.4 No Employee Plan or Employee Agreement provides, or reflects or represents any liability to provide, retiree life insurance, retiree health or other retiree employee welfare benefits to any Person for any reason, except as may be required by COBRA or other applicable statute, and none of the Acquired Companies has represented, promised or contracted (whether in oral or written form) to any employee (either individually or to employees as a group) or any other Person that such employee(s) or other Person would be provided with retiree life insurance, retiree health or other retiree employee welfare benefits, except to the extent required by statute.

3.9.5 Each of the Acquired Companies and each ERISA Affiliate has, prior to the Closing, complied in all material respects with COBRA, the Family Medical Leave Act of 1993, as amended, the Health Insurance Portability and Accountability Act of 1996, as

amended ("HIPAA"), the Women's Health and Cancer Rights Act of 1998, the Newborns' and Mothers' Health Protection Act of 1996, the Mental Health Parity Act, the Uniformed Services Employment and Reemployment Rights Act, as amended, the Medicare Prescription Drug *Improvement and Modernization Act of 2003, as amended, and any similar provisions of state law applicable to its employees.* To the extent required under HIPAA and the regulations issued thereunder, each of the Acquired Companies has, prior to the Closing, performed all obligations under the medical privacy rules of HIPAA (45 C.F.R. Parts 160 and 164), the nondiscrimination rules of HIPAA (45 C.F.R. 146), the electronic data interchange requirements of HIPAA (45 C.F.R. Parts 160 and 162), and the security requirements of HIPAA (45 C.F.R. Part 142). None of the Acquired Companies has any unsatisfied obligations to any employees or qualified beneficiaries pursuant to COBRA, HIPAA or any state law governing health care coverage or extension.

3.9.6 The execution of this Agreement and the consummation of the transactions contemplated hereby do not constitute a triggering event under any Employee Plan which (either alone or upon the occurrence of termination of employment in connection therewith) will or may result in any payment (whether of severance pay or otherwise) that is a "parachute payment," as such term is defined in § 280G of the Code, resulting in a penalty tax under § 4999 of the Code.

3.9.7 With respect to nonqualified deferred compensation plans, as such term is defined under Code Section 409A, each of the Acquired Companies and each ERISA Affiliate has, prior to the Closing, administered each such plan in good-faith compliance with the guidance issued under Code Section 409A.

3.10 Employment Matters. Section 3.10 of the Disclosure Schedule lists all employees of the Acquired Companies and shows for each such employee: (a) his or her position and title; (b) his or her date of hire and, if different, deemed date of hire (for service credits in connection with Employee Plans); (c) his or her salary; (d) his or her unpaid wages owed and/or accrued vacation time and accrued personal time as of September 8, 2007; (e) any bonuses paid to him or her with respect to the fiscal year ended December 31, 2006, or earned or promised to him or her with respect to the current fiscal year, and (f) setting forth separately any vested or unvested: vacation, overtime, wages, personal time, bonuses or similar items. The Acquired Companies have paid, or set forth as an accrual on the Company Financial Statements, and performed all obligations when due with respect to their respective employees, consultants, agents, officers and directors, including without limitation the payment of any accrued and payable wages, severance pay, vacation pay, benefits and commissions. Except as disclosed on Section 3.10 of the Disclosure Schedule, the employment of all employees of the Acquired Companies is terminable at will without any penalty or severance obligation being incurred by any of the Acquired Companies. Except as disclosed on Section 3.10 of the Disclosure Schedule, there is no management, employment, severance, consulting, relocation or other agreement, contract or understanding between the any of the Acquired Companies and any employee. None of the employees of the Acquired Companies is subject to any covenant against competition or similar agreement that would limit his or her ability to participate in all aspects of the Acquired Companies' respective businesses at any present or future location. Except as disclosed on Section 3.10 of the Disclosure Schedule, (a) none of the Acquired Companies is, nor have any of them been a party to, or subject to compliance with, any union agreement or

collective bargaining agreement or work rules or practices agreed to with any labor organization or employee association, and (b) no attempt to organize any of the Acquired Companies' employees has occurred, is pending or, to the knowledge of the Company, has been proposed or threatened. Except as disclosed on Section 3.10 of the Disclosure Schedule, (a) none of the Acquired Companies has had any Equal Employment Opportunity Commission charges or other claims of employment discrimination, sexual harassment or wrongful discharge made against it by any of its employees or any Wage and Hour Department investigations with respect to its employees or independent contractors, and (b) none of the Acquired Companies has any currently pending or, to the knowledge of the Sellers, threatened Equal Employment Opportunity Commission charges or other claims of employment discrimination or wrongful discharge made against it by any of its employees or Wage and Hour Department investigations with respect to its employees or independent contractors. Except as disclosed on Section 3.10 of the Disclosure Schedule, none of the persons performing services for the Acquired Companies are or have been improperly classified as independent contractors or as being exempt from the payment of wages for overtime. Except as disclosed on Section 3.10 of the Disclosure Schedule, there have not been and there are no pending or, to the knowledge of the Sellers, threatened or reasonably anticipated claims or actions against any of the Acquired Companies by any employee, including without limitation, under any workers' compensation policy or long term disability policy.

3.11 Leases, Contracts & Agreements.

3.11.1 Section 3.11.1 of the Disclosure Schedule sets forth an accurate and complete list, and the Sellers have made available to GCI true and complete copies, of:

3.11.1.1 each Applicable Contract that involves performance of services for or delivery of goods or materials by one or more Acquired Companies of an amount or value in excess of twenty five thousand dollars (\$25,000);

3.11.1.2 each Applicable Contract that involves performance of services for or delivery of goods or materials to one or more Acquired Companies of an amount or value in excess of twenty five thousand dollars (\$25,000);

3.11.1.3 each Applicable Contract that was not entered into in the Ordinary Course and that involves expenditures or receipts of one or more Acquired Companies in excess of twenty five thousand dollars (\$25,000);

3.11.1.4 each lease, rental agreement, license, installment and conditional sale agreement, and other Applicable Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than twenty five thousand dollars (\$25,000) and with terms of less than one year);

3.11.1.5 each licensing agreement (other than shrink wrap licenses) or other Applicable Contract with respect to Intellectual Property Rights, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any Intellectual Property Rights;

3.11.1.6 each collective bargaining agreement and other Applicable Contract to or with any labor union or other employee representative of a group of employees;

3.11.1.7 each joint venture, partnership, and other Applicable Contract (however named) involving a sharing of profits, losses, costs, or liabilities by any of the Acquired Companies with any other Person;

3.11.1.8 each Applicable Contract containing covenants that in any way purport to restrict the business activity of any of the Acquired Companies or any of their Affiliates or limit the freedom of any of the Acquired Companies or their Affiliates to engage in any line of business or to compete with any Person;

3.11.1.9 each Applicable Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

3.11.1.10 each Applicable Contract for capital expenditures in excess of twenty five thousand dollars (\$25,000);

3.11.1.11 each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by any of the Acquired Companies other than in the Ordinary Course; and

3.11.1.12 each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

Section 3.11.1 of the Disclosure Schedule sets forth reasonably complete details concerning such Contracts, including the parties to the Contracts and the amount of the remaining commitment of the Acquired Companies under the Contracts.

3.11.2 Except as set forth on Section 3.11.2 of the Disclosure Schedule:

3.11.2.1 None of the Sellers (and no Affiliate of any of the Sellers) has or may acquire any rights under, and none of the Sellers has or may become subject to any obligation or liability under, any Contract that relates to the business of, or any of the assets owned or used by, any Acquired Company; and

3.11.2.2 no officer, director, agent, employee, consultant, or contractor of any of the Acquired Companies is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (A) engage in or continue any conduct, activity, or practice relating to the business of any of the Acquired Companies, or (B) assign to any of the Acquired Companies or to any other Person any rights to any invention, improvement, or discovery.

3.11.3 Except as set forth in Section 3.11.3 of the Disclosure Schedule, each Contract identified or required to be identified in Section 3.11.1 of the Disclosure Schedule is in full force and effect and is valid and enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar

laws affecting the enforcement of creditors rights generally and to general principles of equity, and will continue to be legal, valid, binding, enforceable and in full force and effect following the consummation of the transactions contemplated hereby.

3.11.4 Except as set forth on Section 3.11.4 of the Disclosure Schedule:

3.11.4.1 each of the Acquired Companies is, and at all times since January 1, 2006 has been, in full compliance with all applicable terms and requirements of each Contract under which any of such Acquired Companies has or had any obligation or liability or by which any of such Acquired Companies or any of the assets owned or used by any of such Acquired Companies is or was bound;

3.11.4.2 each other Person that has or had any obligation or liability under any Contract under which any of the Acquired Companies has or had any rights is, and at all times since January 1, 2006 has been, in full compliance with all applicable terms and requirements of such Contract;

3.11.4.3 no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give any of the Acquired Companies or other Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Applicable Contract; and

3.11.4.4 other than notices or other communications given by an Acquired Company to an employee regarding any actual or alleged breach of an employment contract by such employee, none of the Acquired Companies has given to or received from any other Person, at any time since January 1, 2006, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract.

3.11.5 There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to any of the Acquired Companies under current or completed Contracts with any Person and no such Person has made written demand for such renegotiation.

3.11.6 The Contracts relating to the sale, design, manufacture, or provision of products or services by the Acquired Companies have been entered into in the Ordinary Course and have been entered into without the commission of any act alone or in concert with any other Person, or any consideration having been paid or promised, that is or would be in violation of applicable laws.

3.12 **Risk Insurance.**

3.12.1 The Sellers have made available to GCI:

3.12.1.1 true and complete copies of all policies of insurance to which any of the Acquired Companies is a party or under which any of the Acquired Companies,

or any director of any of the Acquired Companies, is or has been covered at any time within the three (3) years preceding the date of this Agreement;

3.12.1.2 true and complete copies of all pending applications for policies of insurance; and

3.12.1.3 any statement by the auditor of any of the Company Financial Statements with regard to the adequacy of such entity's coverage or of the reserves for claims.

3.12.2 Section 3.12.2 of the Disclosure Schedule describes:

3.12.2.1 any self-insurance arrangement by or affecting any of the Acquired Companies, including any reserves established thereunder; and

3.12.2.2 any contract or arrangement, other than a policy of insurance or indemnification agreements entered into in the Ordinary Course, for the transfer or sharing of any risk by any of the Acquired Companies.

3.12.3 Section 3.12.3 of the Disclosure Schedule sets forth, by year, for the current policy year and each of the preceding three (3) policy years:

3.12.3.1 a summary of the loss experience under each policy;

3.12.3.2 a statement describing each claim under an insurance policy for an amount in excess of five thousand dollars (\$5,000), which sets forth:

- (a) the name of the claimant;
- (b) a description of the policy by insurer, type of insurance, and period of coverage; and
- (c) the amount and a brief description of the claim; and

3.12.3.3 a statement describing the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims.

3.12.4 Except as set forth on Section 3.12.4 of the Disclosure Schedule:

3.12.4.1 All policies to which any of the Acquired Companies is a party or that provide coverage to any of the Sellers, any of the Acquired Companies, or any director or officer of any of the Acquired Companies:

- (a) are valid, outstanding, and enforceable;
- (b) are issued by an insurer that is financially sound and reputable;

(c) taken together, provide adequate insurance coverage for the assets and the operations of the Acquired Companies for all risks normally insured against by a Person carrying on the same business or businesses as the Acquired Companies;

(d) *are sufficient for compliance with all applicable laws and Contracts to which any of the Acquired Companies is subject or by which any of them is bound;*

(e) will continue in full force and effect following the consummation of the transactions contemplated hereby; and

(f) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of any of the Acquired Companies

3.12.4.2 Neither the Sellers nor any of the Acquired Companies has received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or (B) any notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder.

3.12.4.3 The Acquired Companies have paid all premiums due, and have otherwise performed all of their respective obligations, under each policy to which any of the Acquired Companies is a party or that provides coverage to any of the Acquired Companies or director thereof.

3.12.4.4 The Acquired Companies have given notice to the insurer of all claims that may be insured thereby.

3.12.4.5 The Sellers have delivered to GCI a summary schedule of insurance policies in effect as of the date of this Agreement which sets forth the amount of coverage and the amount of any deductible under such policies.

3.13 Intellectual Property. Section 3.13 of the Disclosure Schedule sets forth a list of all Intellectual Property Rights and all material licenses (other than shrink wrap licenses), including all registrations and applications (by name, number, jurisdiction, and owner) for such rights and licenses, sublicenses, and other similar agreements, including any ongoing software or website maintenance agreements, as to which any of the Acquired Companies is a party, including the identity of all parties thereto. The Acquired Companies own or have valid and legally enforceable right to use, sell and license, as the case may be, free and clear of any Liens, all Intellectual Property Rights necessary to conduct the business of the Acquired Companies as currently conducted without any conflict with or infringement or misappropriation of any rights or property, including intellectual property rights, of third parties. Section 3.13 of the Disclosure Schedule lists all actions that must be taken by the Acquired Companies within thirty (30) days of the Closing Date to maintain the validity of the Intellectual Property Rights. There is no unauthorized use, disclosure, infringement, or misappropriation of, nor is there any valid basis for any claim of infringement or misappropriation from any third party upon, the Intellectual Property Rights or other proprietary rights of the Acquired Companies.

3.14 Environmental Matters.

3.14.1 Compliance. Except as set forth on Section 3.14 of the Disclosure Schedule, each of the Acquired Companies is conducting and at all times has conducted its business and operations, and has occupied, used and operated all real property and facilities *presently or previously owned, occupied, used or operated by it, in compliance (in all material respects)* with all Environmental Laws and so as not to give rise to any Loss or Liability under any Environmental Laws or to any adverse impact on the business or activities of any of the Acquired Companies. The Sellers have no knowledge of pending or proposed changes to any Environmental Laws that would require any changes in any of the Acquired Companies' premises, facilities, equipment, operations or procedures or that would affect any of the Acquired Companies' business or its cost of conducting its business as now conducted. To the knowledge of the Sellers, no conditions, circumstances or activities have existed or currently exist (including, without limitation, off-site disposal or treatment of Hazardous Materials) which could give rise to any Loss or Liability pursuant to any Environmental Laws.

3.14.2 Hazardous Materials. Except as set forth on Section 3.14 of the Disclosure Schedule, any chemicals and chemical compounds and mixtures which are included among the assets of any of the Acquired Companies, or are required for the conduct of any of the Acquired Companies' businesses, have not been and are not intended to be discarded or abandoned, and are not Hazardous Materials. Except as set forth on Section 3.14 of the Disclosure Schedule, none of the Acquired Companies has generated, handled, used, transported or disposed of Hazardous Materials. All Hazardous Materials which are generated as part of the business of the Acquired Companies are handled, stored, treated and disposed of in accordance with applicable Environmental Laws or are turned over to an independent third-party contractor with appropriate licenses to handle, store, treat or dispose of Hazardous Materials.

3.14.3 Tanks; Asbestos. Except as set forth on Section 3.14 of the Disclosure Schedule, any underground storage tanks ever located at real property owned or leased by any of the Acquired Companies have been removed in compliance with all applicable Environmental Laws, all remediation required in connection with such removal has been completed in accordance with applicable Environmental Laws and all governmental agencies having jurisdictions have approved such removal and remediation and issued appropriate certificates reflecting that no further action is required. Except as set forth on Section 3.14 of the Disclosure Schedule, all above ground storage tanks located at real property owned or leased by any of the Acquired Companies comply with applicable Environmental Laws and are appropriate and adequate for the conduct of the Acquired Companies' businesses. No real properties or facilities presently or previously owned, occupied, used or operated by any of the Acquired Companies or any predecessor have been used at any time as a gasoline service station, dry cleaning facility or as a facility for storing, pumping, dispensing or producing gasoline or any other petroleum products or any other Hazardous Materials. No building or other structure on any of the real property owned, occupied, used or operated by any of the Acquired Companies contains asbestos or asbestos-containing materials. Except as set forth on Section 3.14 of the Disclosure Schedule, there are not nor have there been any incinerators, septic tanks, leach fields, cesspools or wells (including, without limitation dry, drinking, industrial, agricultural and monitoring wells) on any real property owned, occupied, used or operated by any of the Acquired Companies.

3.14.4 Environmental Assessments. The Sellers have made available to GCI correct and complete copies of all documents, correspondence, reports or other materials in their possession or control, or the possession or control of any of the Acquired Companies, concerning the environmental condition of any real property currently or formerly used, owned or occupied by any of the Acquired Companies, including, without limitation, all environmental site assessments. None of the Acquired Companies have received any written notification of the existence of any action, suit, investigation (other than a routine inspection), demand, demand letter, claim, Lien, notice of non-compliance or violation, notice of liability, proceeding, consent order or consent agreement against any of the Acquired Companies or any Person made under or in accordance with any Environmental Laws.

3.15 Assets; Title to Property.

3.15.1 Section 3.15.1 of the Disclosure Schedule contains a true and complete list of all depreciable tangible Business Assets (including tangible Business Assets leased by any of the Acquired Companies under leases that are required to be capitalized for accounting purposes), that reflects the in-service dates of such tangible Business Assets, the depreciation methods and periods of such tangible Business Assets and the net book value of such tangible Business Assets as of August 31, 2007. Except as described in Section 3.15.1 of the Disclosure Schedule, none of the Acquired Companies own or lease any depreciable tangible assets used in its business. The tangible Business Assets, taken as a whole, are in good operating condition and repair, subject to ordinary wear and tear reasonably to be expected in a business of the type operated by each of the Acquired Companies, and are suitable for the purposes for which they are currently used.

3.15.2 Section 3.15.2 of the Disclosure Schedule contains a true and complete list of all real property owned by any of the Acquired Companies (the "Owned Real Property"). The Sellers have delivered or made available to GCI copies of the deeds and other instruments (as recorded) by which the Acquired Companies acquired the Owned Real Property, and copies of all title insurance policies, opinions, abstracts and surveys in the possession of the Sellers or the Acquired Companies and relating to such properties. Each parcel of Owned Real Property is supplied with utilities and other services necessary for the operation thereof. The Owned Real Property is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair, and is suitable for the purposes for which it presently is used. The Owned Real Property complies in all material respects with applicable laws, rules and regulations and all applicable declarations and covenants, has received all approvals of Governmental Bodies (including permits) required in connection with the occupation and operation thereof and has been occupied, operated and maintained in accordance with applicable law. The Acquired Companies enjoy peaceful and undisturbed possession of all Owned Real Property. All buildings, plants and structures contained on the Owned Real Property lie wholly within the boundaries of such Owned Real Property and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person.

3.15.3 Section 3.15.3 of the Disclosure Schedule contains a true and complete list of all leases and a description of the real property subject to each. Such leases and other agreements or arrangements pursuant to which the Acquired Companies occupy or use any